

Message Text

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ACTION STR-06

INFO OCT-01 EUR-12 EA-10 IO-13 ISO-00 STRE-00 AGRE-00
CEA-01 CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01
INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01
CTME-00 AID-05 SS-15 ITC-01 TRSE-00 USIA-06
PRS-01 SP-02 SOE-02 OMB-01 DOE-11 /124 W
-----057764 271524Z /43

P 271450Z JAN 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 5212
INFO ALL EC CAPITALS
AMEMBASSY BERN
AMEMBASSY OTTAWA
AMEMBASSY STOCKHOLM
AMEMBASSY TOKYO
AMEMBASSY VIENNA

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USMTN, USEEC

ACTION STR ELECTRONICALLY
STR PASS CODEL

E.O.11652:N/A
TAGS: MTN, ETRD
SUBJECT: MTN: EC OFFER OF INDUSTRIAL TARIFF REDUCTIONS

THE EC SUBMITTED JANUARY 20 A GENERAL DESCRIPTION OF THE
BASIS FOR ITS INITIAL OFFER OF INDUSTRIAL TARIFF REDUC-
TIONS. FULL TEXT FOLLOWS:

1. BEGIN TEXT: THE COMMUNITY IS PREPARED TO OFFER
INITIALLY TO APPLY THE REDUCTION FORMULA OF SWISS ORIGIN
ENVISAGED IN DOC. MTN/INF/11 OF 23 DECEMBER 1977 WITH A
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COEFFICIENT OF 16, THAT IS Z EQUALS 16 X DIVIDED BY X
PLUS 16, IT BEING UNDERSTOOD THAT THE REDUCTIONS OF THE
COMMON CUSTOMS TARIFF WILL ONLY BE FINALLY DETERMINED AT
THE END OF THE NEGOTIATIONS.

2. THIS OFFER COVERS INDUSTRIAL PRODUCTS OF CHAPTERS
25 TO 99 (WITH THE EXCLUSION OF AGRICULTURAL PRODUCTS

NOTIFIED IN DOCUMENT MTN/AG/W/30 OF 21 SEPTEMBER 1977).

3. THE INITIAL RATES OF DUTY ARE THE BDUND RATES (DOC. L/4537 OF 11 AUGUST 1977). WHERE THERE IS NO BINDING THE INITIAL RATE OF DUTY WILL BE THE DUTY ACTUALLY APPLIED ON 1 JANUARY 1974.

4. THE COMMUNITY RESERVES THE RIGHT TO ASSESS THE VALUE OF OFFERS WHICH WILL BE MADE BY ITS DEVELOPED PARTNERS, BOTH IN TERMS OF QUALITY AND QUANTITY, IN PARTICULAR IN THE LIGHT OF THEIR PARTICIPATION IN THE TARIFF FORMULA AND IN THE LIGHT OF TOTAL OR PARTIAL EXCEPTIONS TO THE APPLICATION OF THE FORMULA.

IN ORDER TO ARRIVE AT ADEQUATE RECIPROCITY IN QUALITATIVE AND QUANTITATIVE TERMS, THE EEC WILL MAKE THE NECESSARY ADJUSTMENTS TO ITS OFFERS. FOR ITS PART, IT DOES NOT INTEND TO SUBSCRIBE TO THE PRINCIPLE OF COMPENSATION FOR EXCEPTIONS.

IT REAFFIRMS ITS ATTACHMENT TO THE NOTION OF HARMONIZATION AND IT WILL BE ATTENTIVE TO ANY EROSION OF THAT NOTION. IT UNDERLINES ITS INTEREST IN ARRIVING, AT THE END OF THE NEGOTIATIONS, AT A SITUATION WHICH WILL REFLECT A BETTER DEGREE OF BALANCE IN THE RECIPROCAL OBLIGATIONS OF THE DIFFERENT DEVELOPED PARTNERS, WHICH IN THE TARIFF FIELD SHOULD BE REFLECTED BY:
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-- A BETTER BALANCE IN THE TARIFF PROFILES RESULTING FROM THE NEGOTIATIONS, AND

-- A GREATER DEGREE OF TARIFF BINDING WHICH SHOULD COVER SUBSTANTIALLY ALL MFN IMPORTS INTO EACH COUNTRY.

5. IMPLEMENTATION OF THE RESULTS OF THE TARIFF NEGOTIATIONS SHOULD BE CARRIED OUT IN TWO TRANCHES:

-- THE FIRST, CONSISTING OF FIVE ANNUAL STAGES

-- FOLLOWED BY A SECOND, WHICH WOULD BE CONDITIONAL, OF THREE ANNUAL STAGES.

THE COMMUNITY WILL EXAMINE THE GENERAL ECONOMIC SITUATION TO DETERMINE WHETHER THE NECESSARY CONDITIONS ARE FULFILLED FOR PASSING TO THE SECOND TRANCHE.

6. THE COMMUNITY REAFFIRMS ITS DETERMINATION TO SEEK THE FORMULATION OF SPECIAL AND DIFFERENTIAL TREATMENT IN

FAVOUR OF DEVELOPING COUNTRIES, IN PARTICULAR THE LEAST
ADVANCED AMONG THEM, IN THE TARIFF FIELD. TO THIS END,
IT IS PREPARED TO EXAMINE, ON THE BASIS OF REQUESTS FROM
DEVELOPING COUNTRIES, CONCERNING PRODUCTS WHICH REPRESENT
AN EXPORT INTEREST FOR THEM, THE POSSIBILITY OF APPLYING,
PRODUCT BY PRODUCT, CERTAIN DIFFERENTIAL MEASURES. FOR
ITS OWN PART IT COULD ENVISAGE APPLICATION OF ONE OR
OTHER OF THE FOLLOWING SPECIAL MEASURES:

(A) MODULATION OF THE DEPTH OF REDUCTIONS (REDUC-
TIONS GREATER OR LESSER THAN THOSE RESULTING FROM
APPLICATION OF THE FORMULA, POSSIBILITY OF EXCLUDING A
LIMITED NUMBER OF PRODUCTS MAINLY EXPORTED BY DEVELOPING

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COUNTRIES AND SUBJECT TO THE GSP FROM THE APPLICATION OF
THE FORMULA),

(B) STAGING OF TARIFF REDUCTIONS,

(C) IMPROVEMENT OF GSP IN ACCORDANCE WITH PARA. 5
OF THE TOKYO DECLARATION,

(D) MODIFICATION OF TARIFF NOMENCLATURE (CREATION

OF NEW TARIFF LINES) TO ENABLE THE APPLICATION OF THE
ABOVE MENTIONED MEASURES IN CASES WHERE SUCH A MODIFICA-
TION IS APPROPRIATE.

THE COMMUNITY CONFIRMS THAT IT DOES NOT EXPECT LDC'S
TO PARTICIPATE IN THE WORKING HYPOTHESIS. IT DOES HOW-
EVER ENVISAGE, AT A LATER STAGE, PRESENTING TO LDC
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PARTICIPANTS, INDICATIVE LISTS OF TARIFF MEASURES WHICH
PRESENT AN EXPORT INTEREST TO THE COMMUNITY, WHILE
TAKING ACCOUNT OF THEIR INDIVIDUAL DEVELOPMENT, FINANCIAL
AND TRADE NEEDS. THE COMMUNITY EXPECTS AN APPROPRIATE
CONTRIBUTION IN PARTICULAR FROM THE MOST ADVANCED OF THE
DEVELOPING COUNTRIES.

FINALLY, THE COMMUNITY WILL PAY SPECIAL ATTENTION TO
THE PARTICULAR SITUATION AND PROBLEMS OF THE LEAST
DEVELOPED COUNTRIES IN ORDER TO ENSURE THAT THESE
COUNTRIES BENEFIT FROM SPECIAL TREATMENT IN THE CONTEXT
OF THE TARIFF NEGOTIATIONS. END TEXT.

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INDUSTRIAL PRODUCTION, TARIFFS, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 27 jan 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978GENEVA01260
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780041-0053
Format: TEL
From: GENEVA
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780115/aaaaamnk.tel
Line Count: 198
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 06b470df-c288-dd11-92da-001cc4696bcc
Office: ACTION STR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: ONLY
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: ONLY
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3703140
Secure: OPEN
Status: NATIVE
Subject: MTN: EC OFFER OF INDUSTRIAL TARIFF REDUCTIONS THE EC SUBMITTED JANUARY 20 A GENERAL DESCRIPTION OF THE BASIS FOR ITS INITIAL OFFER OF INDUSTRIAL TARIFF R
TAGS: ETRD, MTN
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/06b470df-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014